

(b) The enquiries carried indicate that such transactions valuing over Rs. 300 crores have taken place in the last 3-4 years. The amount of tax evasion involved in such transactions would be ascertainable only when the assessment proceedings are completed and the appellate proceedings are finalized, which may take considerable time.

Enquiries indicate that persons who had claimed such long term capital gains had purchased physical shares, mainly of penny stocks, along with back-dated bogus purchase bills reflecting purchase of shares at very low price. The prices of these shares were artificially raised through circular transactions of sale and purchase of these shares. The shares were subsequently de-matted and sold on the stock exchange platform. In the process, the beneficiaries booked fictitious long term capital gains.

Enquiries indicate that most of such transactions relate to financial years 2001-02 to 2005-06.

(c) The Department has carried out searches in several cases, some of which have led to detection of fictitious claims of long term capital gains. The de-matted shares have been found to be traded in various stock exchanges, including those at Mumbai, Delhi and Kolkata. The extent of involvement of brokers and stock exchanges would be know only when the assessment proceedings in these cases are finalized.

(d) It has been the constant endeavour of the Government to strictly enforce the taxation laws to prevent such tax evasion techniques. The introduction of the Banking Cash Transaction Tax (BCTT) has enabled the Government to trail black money transacted through banking channels. The Department also undertakes compulsory scrutiny of returns in respect of certain categories of brokers/sub-brokers.

### **Survey by FICCI on requirement of hospitality sector**

\*112. SHRI MANOHAR JOSHI: Will the Minister of TOURISM be pleased to state:

(a) whether Government are aware that FICCI conducted a survey about India's requirement of hospitality sector in the next five years;

(b) if so, the details thereof;

(c) whether our country will be short of nearly 1,00,000 rooms in the next five years; and

(d) if so, the details thereof?

**THE MINISTER OF TOURISM (SHRIMATI AMBIKA SONI):** (a) and (b) A study on 'Investment Opportunities in Hotel Infrastructure in India' done for FICCI has been released in Delhi on 12th February, 2007.

(c) and (d) This report states that, according to industry estimates, the country currently has a shortage of approximately 1,50,000 hotel rooms. It further states that the demand of hotel room is expected to grow further on a national average at approximately 10% over the next 3-4 years.

### **Recommendations of Vaidyanathan Committee**

**\*113. SHRI C. RAMACHANDRAIAH:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have accepted the recommendations of the Vaidyanathan Committee on Co-operative Credit System;

(b) if so, what has been the outcome of the implemented recommendations;

(c) to what extent the role of money lenders has been reduced;

(d) whether the initiatives taken for strengthening the Micro Financing institutions have reaped the desired results; and

(e) the break-up of States that have accepted/not accepted the recommendations of the Committee alongwith the reasons therefor?

**THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM):** (a), (b) and (e) Based on the recommendations of the Vaidyanathan Committee, a revival package for Short Term Cooperative Credit Structure has been approved in consultation with the State Governments and sent to them for acceptance for implementation.

15 States and one Union Territory have so far conveyed their consent to implement the package. Work of special audit of the Primary Agriculture